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International Bureau
Federal Communications Commission
Washington DC

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

To Whom It May Concern:

Spacelink has closely followed the recent policy developments concerning INTELSAT Direct Access in the United States. In response to the Federal Communications Commission's recent Report and Order, FCC 99-236, IB Docket 98-192, and Comsat's subsequent request for stay, Spacelink International is writing to inform the FCC of its position in opposition to Comsat's request for stay.

Spacelink International is a US company providing international satellite telecommunications services. In that respect, Spacelink has received satellite telecommunications carrier licenses from national authorities in numerous countries to install, register, test, operate and maintain satellite earth stations. In addition, Spacelink has been granted INTELSAT Direct Access Authority in major international markets and jurisdictions, thus giving Spacelink the status of a non-Signatory Investing Entity and Authorized Customer with INTELSAT. In order to expand service offerings, open new markets, and be able to offer competitive services domestically and internationally, Spacelink supports the FCC Order IB Docket which will allow

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US companies to order services directly from INTELSAT with INTELSAT level three access. Notwithstanding that level four access is also appropriate for US companies.

In brief response to some of the arguments presented by Comsat in their request for Stay dated 6 October 1999, Spacelink would like to emphasize the benefits to private companies and the US marketplace of fair and open competition in market for INTELSAT space segment. US companies are currently precluded from fair and open competition in the US INTELSAT space segment market. Comsat has full monopoly over US space segment purchased through INTELSAT as well as having free access to compete in the international arena.

International telecommunications companies, particularly U.S. companies such as Spacelink, should be granted immediate INTELSAT Direct Access in order to have free and open entry to compete in the global telecommunications market. While INTELSAT Direct Access has been permitted in approximately 100 other INTELSAT member nations, COMSAT's continuance of its monopoly not only prevents competition, but also guarantees that prices for U.S. international satellite service connectivity will be considerably above the rate charged for the corresponding half circuit in nations that permit INTELSAT Direct Access. These nations have deregulated and provided free and open access to INTELSAT in order to stimulate competition, to increase the number of competitors in the marketplace and to benefit the consumer by ensuring the lowest pricing

through competition. A typical mark-up of the INTELSAT tariffs in countries that permit direct access is in the range of 5% to 15%, while COMSAT mark-ups are significantly higher. For example, a T1 circuit (1.544 megabit) INTELSAT tariff is \$13,505.00 per month, compared to COMSAT tariff for the same circuit of \$23,875.00 per month, a 77% mark-up.

The denial of direct access to other telecommunications companies in the U.S. is simply anti-competitive and perpetuates the monopolistic privileges that COMSAT has enjoyed since the inception of INTELSAT. The COMSAT monopoly must not be allowed to continue.

Comsat has attempted to justify their request by asserting that the Satellite Act and Federal Communications Commission have granted them sole rights to participate in the INTELAT system for the United States, which precludes authorization of direct access in the US; in essence, they claim they do not have the power to grant INTELAT Direct Access. This assertion is false and misleading, and I strongly urge you, as the regulating agency, to rectify this situation.

Comsat's argument that the proposed FCC order "threatens Comsat with unrecoverable economic harm" is irrelevant. Not allowing US companies to openly and fairly compete within the US marketplace restricts the economic growth of those US companies. Allowing Comsat's monopoly to continue in the US is not only anticompetitive, but places

Comsat in a position to "fix" prices in the international market place as well. Comsat will bear no portion of the cost associated with US companies purchasing space segment directly from INTELSAT with the exception of the required investment share that Comsat requests to keep. Comsat's Investment share in INTELSAT provides a sizable return on equity invested in INTELSAT and highly remunerates them for any signatory responsibilities.

An INTELSAT Signatory can authorize a communications entity in its territory to enjoy from one to four levels of access to the INTELSAT system. Level one access allows for operational and technical access. Level two provides commercial and service matters access including tariff's, terms and conditions for services, while level three allows for contractual access including direct ordering of services from INTELSAT, direct submission of earth station certification applications. Finally, level four access provides for direct investment with INTELSAT. These options offered by INTELSAT are supported by 93 nations that advocate free enterprise, open competition and de-monopolization.

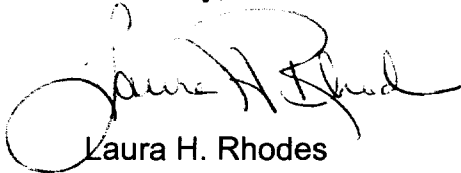
In view of the above, Spacelink requested COMSAT, the U.S. Signatory to INTELSAT, grant Spacelink INTELSAT Direct Access Authority. COMSAT declined to grant Spacelink direct access stating that the FCC Order, File No. 60-Sat-ISP-97, FCC 98-78 paragraph 157 (April 28, 1998) precluded authorization of direct access. COMSAT's denial implied this denial was based on National policy. However,

as I read the order, in particular paragraph 156, the FCC encourages the granting of direct access by COMSAT.

Allowing COMSAT to continue its monopolistic position is not only inconsistent with other INTELSAT signatories positions but also the U.S. government's stated objectives to promote fair competition, communications privatization, de-monopolization and open access to the satellite telecommunications markets. As such it does substantial harm to US companies desirous of open and fair competition in the US marketplace and is quite obviously adverse to the public interest

As the U.S. regulatory authority for telecommunications, you are empowered and can immediately rectify this situation. Since it is obvious that perpetuating COMSAT's monopoly does not benefit the American consumers' interests, nor serve our other national interests. It is imperative that the FCC take an affirmative position on this issue and insure that the above mentioned Report and Order is enforced.

Sincerely,



Laura H. Rhodes

Director of Finance and Contracts
Spacelink International